

M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Agr. No.: ET07-0275

Analyst: N. Weingart

Subject: ONE-STEP AGREEMENT FOR \$50,000 OR LESS

CONTRACTOR:

- Contractor's Legal Name: MedPoint Management, Inc.
- Type of Industry: Services
- Nature of Business: Medical Management and Consulting
- Contractor's Total Number of Full-Time Employees: 70
 - *Worldwide* 70
 - *In California* 70
 - *Number to be trained:* 14
- Turnover Rate: 5%
- Repeat Contractor: No

CONTRACT:

- Training Project Profile: SET-Workers Earning At Least State Avg Hrly Wage
- ETP Funding Amount: \$36,960
- Employer Contribution: \$48,000
- Average Cost per Trainee: \$2,640
- Range Of Hourly Wages At Retention: \$22.51 to \$40.68
- Health Benefits: \$1.51
- Occupations to be Trained: Utilization Review and Management Staff, Information Systems Staff, Quality Management Staff, Finance Staff, Administrative Staff
- Training Menu: Business Skills, Computer Skills, Continuous Improvement

- Range of Hours: 24-120
- County(ies) Served: Los Angeles
- Union Representation: No
- Subcontractor: Strategic Business Solutions, LLC, Visalia, California for project administration in an amount not to exceed 13% of payment earned.
- Third Party Services: Strategic Business Solutions, LLC, Visalia, California for project development for a flat fee of \$4,000.

NARRATIVE

A company spokesperson states that MedPoint Management, Inc. (MedPoint) in Woodland Hills, California was founded in 1987 and has enjoyed steady growth. The company provides management consulting and other services to health groups and physicians offices throughout Los Angeles County, specifically targeting health plans that serve non-profit groups that represent underserved populations of Los Angeles that qualify for free and low cost health care. MedPoint's services include claims processing, customer service, health plan contract negotiation, utilization management consulting, claims audit review, provider education, credentialing, information systems, and quality reviews.

MedPoint is experiencing tremendous growth and needs to increase capacity and efficiency to continue to offer affordable, high quality services to its clients. The company hopes to accomplish this through computer automation, improved business skills, and continuous improvement measures. MedPoint feels that training in these areas will empower employees to re-engineer operations and transform the company into a high performance workplace. Training will increase employee skills and allow workers to function at a higher level in a fast-paced, professional environment. Employment Training Panel funds will help mitigate the costs associated with change, and assist MedPoint in delivering the quality and quantity of training needed to improve operations.

Waivers

High Training Costs

This Agreement provides training that will potentially be reimbursed at more than twice the ETP average cost per trainee (\$2,492). Some, possibly all, of the 14 trainees may receive up to 120 hours of training at a maximum reimbursement of \$2,640 (120 hours x \$22/hour for small business). These trainees are key employees who will be responsible for initiating and implementing changes in their respective departments. They will also be training and assisting co-workers (non-ETP eligible staff) to make sure they are integrated into the new high performance environment. To do this, these trainees must be the most knowledgeable and are, therefore, scheduled to receive the maximum number of training hours available.